

# THE PUBLIC RELATIONS JOURNAL

OF THE AMERICAN COUNCIL  
ON PUBLIC RELATIONS

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**Business History As A Basis For Public Relations**

By N. S. B. GRAS

**The Right To Advertise — Key To Free Enterprise**

By ROBERT S. PEARE

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**VOLUME 3  
AUGUST**

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## THE PUBLIC RELATIONS JOURNAL

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AUGUST, 1947

Number 8

# PRSA

THE PUBLIC RELATIONS SOCIETY OF AMERICA

THE PUBLIC RELATIONS FRATERNITY today has a brand new professional organization which for the first time promises a truly nation-wide program.

It has been christened the PUBLIC RELATIONS SOCIETY OF AMERICA. Its charter membership will be composed of all individuals who, on the date of formal adoption of its by-laws, are members in good standing of the National Association of Public Relations Counsel or the American Council on Public Relations.

Thus the assignment which the two parent organizations gave to their "merger committees" some months ago has been carried out, at least in its first and most important phase, and the machinery for full development begins to whirl smoothly along its prescribed course.

**EDITOR'S NOTE:** The accompanying article is a report of the action taken by the joint "merger" committee of NAPRC and ACPR in their recent Chicago meeting.

The joint committee, following the mandate of the memberships and boards of its two parent bodies, proceeded to draft by-laws providing for the consolidation of the two leading public relations organizations of the nation.

The report is made by Edgar A. Waite, chairman of the ACPR's delegation.

The Public Relations Society of America came into being on August 7, 1947, following four days of intense committee deliberations which in turn were the culmination of nearly two years of study and effort.

The organization meeting was held in Chicago. There, in quarters that looked out over the shore of Lake Michigan, six men held morning, afternoon and evening sessions, and stuck at it until the job was done. Further to expedite the best conclusions of which they were capable, the six men even had their meals together. Therefore, with only slight exaggeration—and that slight exaggeration pardonable—the joint committee may be said to have had six sessions daily throughout the four days they were there.

And to the credit of the participants individually, it is only fair to note that they entered the conference as friends, and they adjourned the conference even faster friends. This latter gratifying fact springs from an over-all attitude which characterized the conferees as a group: No one sought special advantage for his association, for his committee, or for himself. From the very beginning it was an honest endeavor of give-and-take. As

a result of their fairness of attitude on all sides, this reporter feels that the new society has been created on a sound platform, and that it should appeal to public relations men and women throughout the country.

To serve the necessary functions required by the legal formalities, the joint committee of six will also appear as incorporators of the new Society.

The incorporation papers no doubt will be in the process of court action by the time this report is printed. At the present writing it appears that New York is a suitable state in which to file these documents, although California may be selected if our legal counsel so recommends.

Just how long it will take for incorporation to be completed no one can say, but probably it will be either in September or October.

Shortly thereafter a temporary board of directors will take the necessary steps to adopt by-laws, and to further plans for the first annual meeting of the Society.

This temporary board of directors will be composed of some 62 members. It will include all present directors and officers of NAPRC and of ACPR; members of the joint committee, and enough additional representatives of the Council to bring its list up to a parity with its partner Association.

If the first board of directors adopts the by-laws as written by the joint committee, the first permanent board (to be elected at the first annual meeting) will be made up of 39 members—nine each from the eastern, central, southern and western districts, and three from the Dominion of Canada.

Membership qualifications in the new Society are naturally of primary importance. The by-laws as drafted by the committee provide for three classes of membership: active, associate, and sustaining.

Members of all three classes, to quote from the proposed by-laws, "shall meet certain requirements to the satisfaction

of the Committee on Membership Eligibility and the Board of Directors."

The document goes on to describe these qualifications:

"First, it is a condition of membership that each applicant or member shall be free of affiliation, at any and all times, with any subversive organization or activity . . .

"Further, to be qualified for membership in the Society, the candidate shall have a reputation for ethical conduct and integrity, and shall agree to abide by the ethical standards of the Society."

After the class of charter members, which as noted previously will be composed of all existing members in good standing, and all of whom will be Active Members, this class of membership will require at least five years of professional experience (in addition to the other qualifications).

However, on recommendation of the Committee on Eligibility, the Board of Directors may, by three-fourths vote, waive the five-year requirement if other qualifications justify.

On this point, the proposed by-laws say:

"In evaluating these other qualifications, the Committee and the Board shall take into favorable consideration such factors as educational background in public relations, a substantial record of work and achievement in fields closely related to public relations, demonstrated ability, and the potential value of the candidate to the Society. Exceptions to the general rule, however, shall be made only in clearly meritorious cases and where it is believed by the Committee and the Board that postponement of election would represent an unjustified inequity, and a loss to the Society."

Individuals professionally engaged in public relations, but not fully qualified for Active Membership, will be eligible for election as Associate Members. Individuals, associations, corporations and others may be elected to the third class

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of membership, to be called Sustaining, upon recommendation of the Committee on Eligibility.

Members other than Charter Members probably will be required to pay an admission fee.

The right to hold office, to serve as a director or as chairman of a committee of the Society or any of its chapters is to be limited to Active Members.

Responsible to the Board of Directors will be an Executive Committee, consisting of the Chairman of the Board, the President, Treasurer, and six other Active Members, to be elected by and from the Board.

Officers of the Society will be the Chairman of the Board, the President, five Vice Presidents (one from each of the five geographical districts), the Treasurer, the Executive Secretary, and the Chairman of the Executive Committee.

Under the plan developed in Chicago, chapters will be authorized by the Board on petition of twenty or more Active Members. Members of all classes will be eligible for chapter membership.

Executive headquarters of the Society will be in New York. Editorial and educational offices will be maintained in San Francisco, in the offices now occupied by the American Council.

As stated in the by-laws, "The object of this professional Society is to promote the public welfare through the advancement of the art and science of public relations."

In carrying out this objective, it is planned not only to continue the constructive and important activities of the two constituent groups in the past few years, but to broaden the program in ways and to degrees that would be impossible—or at any rate, impracticable—to a strictly regional or local organization.

It was recognized by all concerned that the Council's "Public Relations Journal" has already accomplished a great deal for the profession of public relations, and

that its potential value is tremendous. It will therefore be continued as an official publication of the Society.

The correspondence course in public relations, which for several years has been one of the most constructive activities of the Council, was also highly praised by the committee. Its favorable report on continuance of the course will likewise be presented to the Board of Directors.

Committees on ethics, education, and membership eligibility are among those to be appointed by the Board of Directors or the Executive Committee, and there will be others as needed to carry out an active program.

One of the knottiest problems before the joint committee during its four-day session was the matter of dues. The Council's dues for active members are now \$25 a year. The Association's dues are \$30.

It was felt by the committee that if the new Society is to conduct a fully satisfactory program, and employ the necessary personnel to provide creditable performance in the interests of public relations people and the broad objectives of the profession, then the dues should be higher than these figures.

Some members of the two parent bodies have suggested dues as high as \$100 or even \$150 a year, but the consensus of the committee was that the final determination of dues would best be left to the Board when organized, and that in the meantime the committee would recommend dues for Active Members at "not less than \$50 a year."

The views of members on this point will undoubtedly be very welcome by those now charged and those later to be charged with responsibility for the success of the new Society.

It should be remembered, of course, that the kind of job to be done by the Society will depend, at least in part, on adequate financing. On the other hand,

*(Please turn to page 39)*

# BUSINESS HISTORY

## As a Basis for Public Relations

By N. S. B. GRAS

Professor of Business History, Harvard University

THE POINT OF VIEW of this article is that we cannot understand or effectively promote the cause of public relations in business unless we know the history of business. Where business is now is a reflection of where it has been. Where business will be is a projection of where it is today. There is no break in the flow of business and none in the unconscious reactions of men to business.

It cannot be too clearly indicated that I refer to scientific or well-organized and well-rounded business history. There is no thought of emphasizing those numerous memorial volumes nor those publicity stunts that so ineffectively display men and products. Only the candidly compiled history is of great use. The outsider, well trained, is the most likely to write an impartial and well-rounded story. His work should be criticized by those who know the business at first hand. The treatment should be rounded out so as to include finance as well as production and procurement as well as sales. The history should not gloss over mistakes nor dwell unduly upon success. It should include both business organization and methods and business statesmanship.

The *Harvard Studies in Business History*, published by the Harvard University Press, has made a beginning in the publication of scientific business history. Its twelfth volume, now in press, is a "Guide to Business History," compiled by Dr. Henrietta M. Larson. This "Guide" lists many works of value to the student in the field of business history and indicates points of strength and weakness in the volumes and articles dealt with. It also contains an exposition of the subject of business history and sketches its development. Other volumes are to appear in the

*Studies* in the near future, roughly two a year. These volumes are distributed by the Business Historical Society to its members, including the Harvard Business School Associates.

So far, business history has concentrated mainly on the history of medium-sized companies. The very large concerns and the petty capitalists have been neglected. Moreover, those many topics of business history which some day must be dealt with have been passed over in favor of the more or less objective study of particular business units. Of course, one of those special topics, sometime to be dealt with exhaustively, is the history of the public relations of business.

Let no one think that P. R. is a fresh creation. Business has had its public relations from the very first. The history of public relations is indeed co-terminous with the history of towns and urban civilization. It is not confined to America nor yet to occidental civilization. Wherever business men are, there are public relations, good, bad, or indifferent.

To be sure, P. R. as a conscious art or as studied science is recent. It is the offspring of the marriage of business and politics, adumbrated in the nineteenth century and developed in the twentieth. As the state stepped in to influence, first to regulate and then control, there has grown up a new consciousness of the relation of business to the public. In truth, however, this is not really an original creation, for a similar situation existed in the Middle Ages when the Church influenced business, indeed came close to controlling parts of it.

And so, Mr. P. R., I recommend to you the study of business history. You will say that going back to the Middle Ages is

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a heavy assignment. In truth, however, there are economic histories in plenty, which are readily available, in which the part played by Church and state are set forth. See the works of W. J. Ashley, William Cunningham, E. Lipson, R. H. Tauney, and many others. It is easy to imagine the reply to such an assignment: why, all this throws me into the field of ethics, which I should like to avoid!

### **Selfishness Not Feared So Much as Unintelligent Selfishness**

Yes, that's it: we must enter the ethical field, if we are to move forward in public relations. What will our guide be? "Do unto others as you would have them do unto you" or "be intelligently selfish." The historian does not fear selfishness so much as unintelligent selfishness. He has come to believe that no business man should take complete advantage of a momentary opportunity if it means a long-time loss to himself, his company, his industry, or business in general. Many business men are learning this general precept, but too few labor leaders in America are cognizant of it. The days of acceptable *laissez-faire* or economic liberalism are dead, whether in business administration or labor politics.

Just where does business history fit into the picture of business ethics and public relations? I believe that there are at least four points of emphasis.

First, business history should establish a fund of knowledge, together with broad useful generalizations, that will guide those who wish to be intelligent in their attitude to business rather than emotional or propagandistic. For such treatment we have the analogy of political history, legal history, medical history, and ecclesiastical history. In all of these disciplines there is an effort to sift the wheat from the chaff, expose ignorance and error, and establish the facts of solid accomplishment. True, all that is written in one generation has to be revamped for the use of the next generation, but honest

efforts are under way to tell a story that is sound, true, and helpful.

Perhaps the kernel of fact that needs to be made clear is that the business man has not been predatory but socially useful and necessary. Just as some doctors have sought fees more than they have tried to heal their patients and just as some clergymen have been more interested in their female than in their male parishioners, so have some business men been more eager to get their customers' money than to serve their needs. Though such instances are conspicuous, they are not typical. Of course, economic historians have played up Drew, Fisk, and Gould as the normal business men of the post-Civil War period, but that is pure perversion. Yes, you say, but so is much of history—an emphasis on the unusual—the violent, wicked, romantic, or catastrophic. Here every historian hangs his head in shame. Perhaps he also answers that he must have readers and therefore must tell stories.

### **A History of Social Service**

Put the matter in another way: business history is the story of how successive generations of business men have gained a living through serving society. Most of them have been repetitive in their operations; some of them have been innovating. Some have merely supported their families; others have built palaces of art, founded charities, and established institutes of research or universities of learning. But, right here, let no one say that the business man who merely carries on a business after the manner of his time is not a social servant. In fact, he is making the work of his customers and neighbors possible. And, then, beneath the surface, he may in fact always be as necessary as the dynamic leader, in so far as he solves the multitude of fresh problems that keep arising in buying, selling, manufacturing, or employing others. Only the distant outsider can believe that business can ever be merely repetitive. If these

things are true, the student of public relations should know them, for they are heavy granite blocks to be embedded in the foundation that he is trying to build.

### Relativity of Values Important

Second, business history should insist upon the relativity of values. The undifferentiated moral sense of right or wrong may be timeless, but ethical applications are relative to time and place. Ethical rules arise out of group practices and have hardly any other sanction. The history of business illustrates this, and all judgments concerning business behavior must take this into account. It is pointless to maintain, as has been done, that business men are disloyal as a class because in early days they would freely trade with the enemy. In truth, business men, particularly merchants, and, we may add, Catholic priests and scholars, felt that they transcended national laws and situations. These could feel that the affairs of a larger and international group were more vital than the affairs of a nation. Indeed, many good citizens in calling for a world state do just that at this particular moment. And then, to take another example, in the nineteenth century business men, like politicians, settlers, and many others, competed with one another in what we now would call an unfair manner. This system of *laissez-faire* was sanctioned by law and legislation and glorified in the most acceptable treatises of Adam Smith and Herbert Spencer. Now, the application of what I am saying is that it is unfair and unhistorical to pick out some one person or company and blame him or it for cutthroat competition when that was the normal course of events. When Ida M. Tarbell blamed Rockefeller for seeking and accepting rebates from railroads, she was forgetting that giving rebates had been the normal means of doing business. Railroads sought out big customers who were able to provide plenty of business that they could count on. It paid the railroads to charge lower rates for this

kind of business. The ideal of the common carrier, according to which all shippers should have equal treatment because of the public nature of the railroads, was slow in taking form. And, indeed, there is even today a recognition of the economy involved in large-scale transportation when the railroads grant, and the I.C.C. allows, a lower rate for car-load lots. It should hardly be necessary to urge relativity in historical treatment, and yet both historians and journalists have been guilty of overlooking it.

### Opportunities for Business Statesmanship

Third, there is a theory that the business man has lost his leadership. True, in mediaeval Italy and in seventeenth century England, the business man was a leader of public thought and action. True, during the Industrial Revolution, the business man was a great innovator, indeed a revolutionist in making over the material lives of men. True, even as late as about 1900 the business man was pioneering in expansion of trade overseas and in introducing the scientific management of capital and labor at home. But, according to the theory, the business man has now lost leadership to the trade union leader, the politician, the political administrator, and the social theorist. To be sure, there is a measure of truth in this view, but still there are left to the business man many opportunities in the field of both business techniques and business statesmanship. Of course, the business man must now frequently study the laws made in Washington and the rules made by the commissioners to learn what his policy should be. Nevertheless, there is some top policy-formulation left to him and a large measure of operation down the line. And it is within these ranges that the opportunity lies for the development of a profound influence on business affairs through the cultivation of a *policy of public relations*.

Fourth, while the business man still has

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a measure of dominance in policy-formulation and a large share of control of operation, there is a place where he can ride at the head of the procession, namely, in business statesmanship, in public relations, in correlating the needs of many groups so that each will be served and educated to know that it is served. The politicians and the courts are so keyed that they take sides in partisan strife. The business man, particularly the executive who is less and less the owner, is close to the firing line of events and can more clearly perceive and more nicely adjust group interests.

In analyzing these group interests we are accustomed to consider employees, customers, suppliers, neighbors, and the general public. There is one other that I should like to add, namely, the industry. "Industrial relations" should be applied not to employee relations but to relations of one firm to others within the industry. We find that a company which is a low-cost producer is blamed by the public for not reducing prices to the point where it can just earn an acceptable profit. In truth, some such companies have found that they get into hot water when they reduce prices and drive higher cost producers to the wall. With these higher cost producers they must live and cooperate at many points. There are innumerable opportunities of mutual aid within the industry. A little study of this subject unfolds a whole field that has hardly got beneath the surface of general consideration. It is crude indeed to sum it all up as conspiracy or leading to monopoly or as a mere matter of trade associations.

### A Fine Question

The older Rockefeller, after the manner of the time, competed fiercely with his fellows in the petroleum field. The result was that his industrial relations (in the sense above mentioned) were very bad: indeed, his competitors were constantly using the devices of agitation and court action against him. The result was that

his big holding company was forced to give up 33 subsidiaries. On the other hand, Gary, the head of the United States Steel Corporation, had a tender regard for his competitors. He could have driven many of them to the wall, but, instead, he held an umbrella over the high-cost producers with the result that, when the government sought to dissolve his Corporation, there were few or no competitors to give evidence against it. Of course, there is a question as to whether it was socially beneficial to keep marginal and sub-marginal producers in existence and make the public pay the price. It may be argued that Rockefeller did more service to the public when he ran competitors out of existence when they would not join him in more effective means of carrying on business, than Gary did in protecting his competitors.

### How Wisdom Is Born

Such points should be considered by teacher and student, voter and politician. They should become the background of our general history, working upward through the leaven of business history. At this point, I am most interested in finding a place in the field of public relations for a study of industrial relations or the relations of one company to the others in the same industry.

It is perhaps more pertinent at this junction that I should sharpen the point and call attention to the need on the part of the public relations manager and the public relations consultant for more business history in their particular lines of work. Both groups of leaders need wisdom, and wisdom is born of experience, which, to be broad, must be gained vicariously.

It is my further belief that no company should form a public relations department until it has had its own history studied and perhaps published. Without such a history the man brought in to organize it and guide it scarcely knows where to

*(Please turn to page 14)*

# The Right to Advertise

## —A KEY TO FREE ENTERPRISE

By ROBERT S. PEARE

Vice President, General Electric Company, Schenectady, N. Y.

TODAY I AM ENTRUSTED with a job. I am to be a Janitor, in the classic sense, standing before the great door which we have chosen to label "Free Enterprise," jingling the keys which we have in years past so well and carefully made, which we have kept shiny with the polish of our craftsmanship and art. They are keys which have opened many doors: to specific little corridors of achievement in selling, in distribution, in research, and down these corridors we have individually and collectively gone to win compensation for ourselves and better products and services for the American people. That part of the castle we know well. We have explored it often.

Now, however, we are standing at the front door, not the service entrance. A question has been raised in the minds of many as to our right to enter here, as to our right to proprietorship. Do we advertising men, in fact, have a freehold in the domain of the national economy? Or is our deed a limited deed, a grant from the state that may be withdrawn arbitrarily? Do we have a key to the main entrance? Will it work, or jam the lock? What is the name on the key?

These are admittedly words of fancy and imagination, but they also happen to be the tools of our trade and you understand them, else I would approach the problem in a somewhat different vein. I do not feel that we should shrink from words simply because we customarily have an abundance of them. Probably never before in human history have words been so important, written words and spoken words. Their importance to us and to our children lies not in the writing and speaking, but in the understanding.

Too much of our time in our profession

is taken up with stumbling over or detouring around roadblocks caused by fundamental misunderstandings about the meaning of words. When you consider how much of the difficulty of telling the story of American business to the people is not caused by the unscrupulousness of business or the suspiciousness of the people but by simple misconceptions about words like "reserves," and "profits," and "capital," this fact becomes evident. At least one group, the American Economic Foundation, has set about the task of re-forming and redefining our business language, and declares with italic emphasis that "America . . . will emerge from its confusion only through a semantic counter-revolution." This is perhaps a gallant, but probably also a hopeless, enterprise in our lifetime. So perhaps we who deal in words day by day must still confine ourselves to steering a safe course through these dangerous waters with such charts as our own experience and the soundings of a Claude Robinson, Henry Link, or George Gallup to guide us.

And when you and I, in our daily traffic in the market place, across the conference table, and across the back fence, have so much difficulty in making ourselves understood in our native language, how with all our craft are we going to build a bridge to the common people of other countries that will be strong enough to support the traffic of peace? Particularly, how are we going to complete that bridge when there is so much evidence that the foundations towards which we are aiming our cantilever span, building out from these shores, are being on the other side systematically undermined?

And yet that is the task that has been laid upon us, and we shall have to find a

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way. It was all very well, perhaps, in the days of slow ocean travel and infrequent couriers, to trust the conduct of our international relations to diplomats and their interpreters. But today we live at almost unbelievably close quarters with every other country in the world. The whole world has become a domestic problem. By abolishing time and space we have multiplied our necessity for sympathetic and immediate communication between masses of people. It is not at all fantastic to say that one of the first great objectives, in this most difficult task of getting ourselves understood by other nations, must be to explore, analyze, and improve our understanding of each other at home. That, it seems to me, is the first important link in our undertaking. For this task the diplomats and statesmen are not well fitted. Let us say, frankly, that there is a selling job to be done, perhaps the greatest selling job of all time, and as we all know one of the first requirements of a good salesman is that he himself be sold. It is our task, to put a reverse twist on an old saw, to make what we are speak so loudly that they *will* believe what we say. As industry itself, in all of its organic branches, raises its eyes from its immediate tasks of research and invention, of production and distribution, and commits itself to a program of public service in order that the enterprise system which it has created may prove its attributes of measured progress and national unity before a skeptical world, what is more fitting than that its architect, advertising, should put itself and its talents in the forefront of that undertaking?

### Selecting the Proper Key

And so we find ourselves today at the entrance to the future, and with, as the poets and novelists would put it, the bounds of chaos and old night baying about our heels, about to select a proper key that will be an earnest of our title and a badge of proprietorship. Your committee has felt that this key is labeled "the

right to advertise." It will be part of my assignment to attempt to justify that choice.

The right to advertise, like a lot of other rights which we assume, undoubtedly flows from that greater and simpler body of rights with which we have been endowed by our Constitution. Most of us take our fundamental rights for granted, which is careless of us. A somewhat smaller number, if pressed to put a finger upon the source, might recall enough of our political education to respond with a reference to the 14th Amendment to the Constitution. That reference would be correct, of course. There is probably no more celebrated nor hardly worked section of our great national charter. But a lot of people cite the 14th Amendment who do not take the trouble to see what it actually contains, just as a lot of people in our business cite "free enterprise" and the "American way of life" without bothering to plumb below the surface of those resounding but well-worn phrases. Being in too much haste to document their words, they forfeit conviction on the part of their listeners, and eventually on the part of themselves, and I do not believe that is healthy. It is not healthy for any business, and particularly in the business of advertising.

### Let's Say What We Mean

At the risk of seeming to be schoolmasterish, I am going to ask you to go back with me for a moment to the books and explore this little matter of great rights which we assume to be granted us under the 14th Amendment. It can do us no harm to *know* just for once, exactly what we are talking about when we refer to the famous 14th Amendment, and then the next time we are tempted to speak of free enterprise and the right to advertise we will take the trouble to think and say what we mean, perhaps.

In the first place, as a lot of law students have discovered to their surprise and discomfort upon oral examination,

there are actually five sections to the 14th Amendment to the Constitution. There is a section that deals with the apportionment of representatives. There is a section that says no person shall hold federal or state office who has taken the oath to support the Constitution and then shall have engaged in insurrection or rebellion or given aid or comfort to the enemies of his country. There is a section which says that the validity of the public debt shall not be questioned. There is an enforcement clause. I have deliberately skipped over the first section, which defines who are the citizens of the United States. In the words following this definition, almost as a noble afterthought, you will find this sentence, the one we have been seeking, and the one which has probably been judicially interpreted in more pages of fine print than any other sentence in the Constitution:

"No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."

### Look Beneath the Label

Henry Luce of *Time*, *Life*, *Fortune*, has termed this the "American Century;" Henry Wallace has called it the "century of the common man"; and both were being a little extravagant, for purposes of publication. How much more exact it might be to say that this is the "Century of the 14th Amendment, Section one, last sentence," because it surely is all there, the things we have been fighting about, legislating about, arguing about, and making speeches—like this—about. The New Deal rose and fell within the confines of that one sentence, for one thing.

By going back to the Constitution I want to accomplish two things: first, to show that our right to advertise is more than a pleasant expression, and is actu-

ally founded in law; second, that such an expression as "the right to advertise," or "free enterprise," acquires meaning if we take the pains to look beneath the label, but eventually evokes insincerity, skepticism, and irritation if we content ourselves with the label only.

### Rights Are Not Static

To sum up, as the lawyers and the judges say, we arrive at something like this. The tools of communication, which are the tools of advertising, are our property; that is, we have a property right in the use of these tools, a property right protected by and founded in law, closely tied to the concept of individual freedom, but circumscribed by the requirements of the public good.

But rights, though they may be written in law, are founded in the vigilance of the people who inherit them. Take, for example, what has happened in the case of a right so well known under the Constitution as "freedom of speech," in the rather special case of the employer's "right of free speech." The National Labor Relations Act (Sec. 8 (1)), forbids the employer: "To interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7," and this has been interpreted as repeal of the employer's right to address his employees on certain subjects. So you see, the right to talk, to express an opinion, the right to advertise has already been singled out for abridgement—because it is the key to men's minds and control over these minds is the goal.

Rights are not inert, static things, and the exercise of rights is implicit in their very definition. We use our right to personal freedom for a large number of ordinary, garden variety type operations. We live, work, and travel where we want to, within certain economic limits, at least we did once. We go to the movies or dig in the garden, if that is what we want to do, or we yell at the umpire, or play poker, if we want to do that, and in all these things

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we are using our fundamental right to personal liberty. On some occasions, however, we use that freedom for a nobler purpose—to fight cancer, or juvenile delinquency, or race prejudice, or physical enemies of our country.

### **Selling Ideas of a High Order**

In the same sense, you might say that professional advertising people employ their right to advertise in a very workaday manner most of the time. They use it to make a living, to help sell a product. But they are by no means precluded from using it to sell ideas of a somewhat higher order, such as to correct economic misinformation, to provoke a feeling of national unity, to arouse in every man the sense of private obligation to do something for the public good. The history of advertising is studded with splendid examples of advertising used effectively in the interests of religion, charity, national defense, thrift, sacrifice, law enforcement, and safety—to name a few. The War Advertising Council presented us with an outstanding example of the mobilization of advertising and promotional talents for a broad national purpose. Right now, joint committees of the Association of National Advertisers and of the American Association of Advertising Agencies are grappling with the problem of teaching Americans of all ages, occupations, and stations in life the true significance of the capitalist system of free private enterprise—what it has done, what it can do, and what it means to the individual. This is a tremendous task that will take a lot of good, hard doing, and you will hear more of it. These examples serve to illustrate a point, perhaps the only main point of my story, and it is this. When we, in advertising, undertake to exercise our legal and moral right to advertise, not just in the interests of our own business, but in the interests of all the people, then we justify the granting of the right in the first place. We recognize a social obligation, we circumscribe our interest by re-

quirements for the public good, as the judge said, and we demonstrate that we are deserving of a Constitutional guarantee.

Now these are pretty large-calibre words that we have been using, to describe some large-calibre ideas. I hope you won't think them grandiose, because they are true and very important. To take away the taste of abstraction, to get down to some grass roots, I would like to discuss very briefly some small-scale techniques. Perhaps this is a good place to do some recapitulating also. I have been trying to say, first, that the world seems to be in quite a mess, that it is looking towards the United States for leadership and example and relief, and that we can't set a very helpful example to the world until we find a way of understanding each other here at home; and, second, that I believe advertising and advertising people can play a leading role in this job, deserve to be trusted with such a role, and have the right—if you please—as well as the obligation to follow through.

### **We Start Using Capital Letters**

The chief difficulty with laying out these jobs for the common good, is that the individual tends to disappear in the grandeur of the design. It is hard for advertising people to join hands in any national association to do a job without taking on the neutral and rather monotonous protective coloring and consequent ineffectiveness of a national association. You know what that means: the fellow who does the shooting loses his distinctive personality, and the outlines of the target become blurred. We start using capital letters, at first caps-and-lower case, and finally all caps. And we set such words as Business, Government, Private Enterprise, Humanity, Labor, and the Public, with them. That, I am convinced, is wrong. Nobody listens.

But if there is any national association that should be a little better equipped to avoid these pitfalls of bigness and vacuity

it is this federation, and for a very good reason. Organically you represent hundreds of thousands of individuals. You are not a mass or an institution, but a collection of people, and by the very nature of your coming together you maintain to a high degree your individuality. Your powers for good are localized, your field of operations is local, your ambitions are local. You have no need to lean on a big association, a big industry, or even a big company, and to the extent that you do not you are a tower of strength to your profession and to your country at this time. What I am suggesting, to borrow a phrase from the "planners" and perhaps to borrow a technique, is that every advertising club constitute itself a "cell" in its own community, to light and lead the way in selling America and its bulwark, American business, back to the people.

#### Directed at the Individual

You are the men and women who not only see what needs to be done but you know how to do it—it is an obligation for you to assume leadership.

Perhaps it will illustrate better the technique I am recommending, for doing this big American job, if I tell you that in the General Electric Company we are directing our planned public relations program at the individual worker in our factory and office, at the individual community where we have a plant or an establishment and live as a tax-paying citizen, at the individual family group in such a community. We want to get the feel of the man we are addressing with our advertising, with our broadcasting, with our news and information, and we want him to understand us. We want to hold conversations on an intimate level, not get up on a platform and blast at a lot of faceless masses.

This does not mean at all that at the level of community and plant relations we are throwing overboard the techniques of the professional advertising man. More than ever we feel that we need those

techniques and want them to work for us, but we want to work through people, towards people. We want to be able to listen intelligently to what men and women are saying to us, and give them an intelligent and helpful answer. There are today more than 160,000 people who directly make up the working force of the General Electric Company. Just our manufacturing alone is done in a hundred different communities, in plants that range from a hundred workers to those having tens of thousands. When we get to selling, we are limited by no numbers at all. But we are highly conscious of the fact that way out at the end of our distribution line—after the scientist, the inventor, the engineer, the draftsman, the manufacturer, the accountant, the market researcher, the factory salesman, the advertising man, and the wholesaler have finished doing their planned job—way out there, one man or one woman is selling another human being the net result of all of our efforts. And the faith that the vendee has in the words of the vendor, as one man to another, decides the fate of the whole General Electric Company. Every day, everywhere, in talking with customers, with employees, with stockholders, or with people who just happen to be walking by, a billion-dollar company entrusts its fate and its future to the hands of a single human being. And it suddenly occurred to us—that one individual has to be good. He has to be well-informed. He has to know not only what makes our company tick, but what makes the whole American economy tick. He has to feel that he belongs, that what he does is important. He has to feel proud of what he does, of the fact that he is the trustee for 160,000 co-workers and their families, and of a quarter of a million stockholders, and of millions of customers.

#### Whose Help Is Needed

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tance of the individual. That is why we need help, so much help, from school-teachers, from doctors and lawyers, from grocers and druggists, from local union leaders, from the operators of service stations and electric light companies and haberdashers, from the hundreds of small businesses and professional establishments which form the American community. These are the people who know what private enterprise is because they are in it up to their ears every day of their lives. Their country needs their help today, in telling and selling the story of their enterprise, as they alone know it, to the small circle of people whom they touch and influence. We don't need any national campaign, in the usual sense, with 24-sheet posters and full-page advertising and network broadcasts, to tell the story of the United States and what has made it great. These things will help, and they will be done. But in the end, the only thing that will make the broadside effort believable will be the spadework of the individual, in his home, his business, his nearby school, his community.

### Duty and an Obligation

If a small merchant in any town has the right to advertise, and we believe that he has that right, he has the right to advertise not only what he has for sale on his counters and shelves, but the system which makes it possible. And in a day when that system is under attack by the comrades of the left, by the dissidents, by the haters, by the foolishly treacherous opportunists, and most dangerous of all perhaps by the innocent, he has a duty and an obligation to advertise that system. The job is just as small as that, in one sense, and just as big as this broad land in another sense. The advertising clubs of America are in my opinion in the most strategically ideal position to strike a blow for their fellow citizens that they have ever been in. They bring together at the community level the one professionally trained and at the same time intelli-

gently aware group capable of spearheading this task. This is the public service for which they have been preparing themselves.

### Proud To Be an American

We have been speaking here, at rather considerable length, of the right to advertise, but you were warned that this would happen. We have been speaking also of the need to keep the exercise of our right, in the public interest, simple and manageable and tangible, rather than high-flown and ineffective. In other words, don't ever shoot until you see the whites of their eyes, and don't ever talk until you can feel the touch of their hand. Inadvertently using and paraphrasing those historically famous words reminds me that Boston, with its little unpleasantness with the redcoats on King Street and with its tea party in the harbor is a striking example of how direct, community action proved to be the foundation for a successful national campaign.

Let us, as advertising people, not fall into the error of repeating over and over again that America should be proud of free enterprise, because that is an awkward and unfortunate position for the creatures of free enterprise to assume. Let us say, rather, that the men who constitute private business and industry should be proud of America. You may have read, in *Life*, the letter from some correspondent about Annie Oakley, who when told by the then Prince of Wales, later Edward VII, "Miss Oakley, America should be proud of you!" retorted, "Thank you, sire, but I am proud of America!"

I have only one further observation—a sort of second string or *leit-motif*—and it is this. If there is a right to advertise, which concerns us deeply as professionals and practitioners, then there is also another right, which concerns us just as deeply as citizens. It is the *right to be advertised to*—the other side of the coin. The patriots who drafted the Constitution really had this in mind. The vigi-

lance with which we guard the second right can best be measured by the force and integrity with which we exercise the

first. Flying these flags, we shall both serve and prosper—and, possibly, survive.

ROBERT S. PEARE, a native of Bellmore, Indiana, is Vice President in charge of advertising, broadcasting, and general publicity for the General Electric Company.

He was graduated (1922) from the University of Michigan, where he was prominent in athletics and was a member of Sigma Chi fraternity. Upon graduation, Mr. Peare was selected by General Electric for its Business Training Course at Schenectady. At first assigned to the accounting department, he progressed through various positions in the company until April, 1944, when he was elected Vice President by the Board of Directors and placed in charge of the company's advertising, broadcasting, and general publicity activities.

His article is excerpted from the keynote address before the Advertising Federation of America at its 43rd annual convention.

## BUSINESS HISTORY

(Continued from page 7)

turn or what to emphasize. To be sure, a top executive might tell him what to do, but in the last analysis it is the discovery of what should be done that is the supreme function of the manager of a public relations department.

In the development of public relations work the lawyer was the pioneer. Then came the journalist. The first won the battles but lost the war. The second rarely rose higher than publicity, which is essentially "fooling the people." Possibly the business historian can improve on both the lawyer and the journalist and make his own mistakes in a public relations department either as head or in a subordinate capacity. In this connection

let no one think I am referring to men who have just studied history in books and who have let their hair grow long in academic halls. I have in mind the man with an historical background and an economic training, who has studied the whole gamut of business subjects both in line production and in staff services and who has learned to learn afresh for himself. Such an historian should be able to wring from minutes and accounts a significant story, to gain from interviews an accurate explanation, and to correlate what he finds in the history of one company with what he can learn about the history of the industry and about business in general.

N. S. B. GRAS was born in Toronto, Ontario, Canada. He attended Western University, London, Ontario, where he received his B.A. in 1906; M.A., 1906; Ph.D., 1912; and honorary LL.D., 1924. He was assistant professor of history, Clark College, from 1912 to 1917 and associate 1917-18. From 1918 to 1927 he was professor of economic history at the University of Minnesota; in 1927 he became professor of business history at Harvard University.

He is author of "An Introduction to Economic History," 1922; "Industrial Evolution," 1930; "Business and Capitalism," 1939; "Case Book in American Business History," 1939; and others. He is editor of "Harvard Studies in Business History" and vice president of Business Historical Society, Inc.

# STOCKHOLDER REPORTS ARE PUBLIC RELATIONS LITERATURE

By WESTON SMITH

Vice President and Business Editor, *Financial World*, New York City

THERE HAS BEEN A TENDENCY on the part of an increasing number of managements in recent years to establish programs of education and information for their stockholders. With the majority of managements the *modernized* annual report, simplifying and interpreting the financial statements for the average investors, has provided an effective vehicle through which to publicize the company's products and thus turn the small or large army of stockholders into a host of enthusiastic boosters. The yearly financial statement can be supplemented by several varieties of stockholder relations literature to maintain interest and build confidence in the intervening months between annual reports.

Prior to World War I the corporation annual report was merely a statement to show that the independent auditors had certified the figures as revealed in the more or less condensed balance sheet. Such statements were seldom seen by other than bankers, trust executives and large investors, who made it their business to keep in close touch with the managements throughout the year. In those days most of the big corporations were owned by hundreds of stockholders who held thousands of shares.

Today the big, medium and small corporations are owned by millions of small investors holding odd lots of 15 to 20 shares. What has happened in the past quarter century? The answer is "public financing." When Liberty Bonds were redeemed after the first World War, small investors reinvested their savings in the bonds, preferred stocks and common shares of corporations in many industries as the investment bankers offered these securities for public subscription. Count-

less others turned to the stock market as speculators, pyramiding their holdings until 1929 when the Wall Street crash either cleaned them out, or left them high and dry with substantial losses on the paper they had accumulated in their safe deposit boxes.

The enactment of state blue sky laws and the establishment of the Securities & Exchange Commission provided safeguards for the small investor. These laws on the statute books drove out the "bucket shop" and the promoter of worthless stocks, and provided assurance that the speculator would at least have a "run for his money." High margins and heavy taxes have turned the shoestring speculators into small "investors," who have found it more profitable to build their investment portfolios through the accumulation of small lots of stock rather than engaging in in-and-out trading. Meanwhile, all types of investment trusts have enjoyed a tremendous expansion, and these originated funds have had the effect of spreading stock ownership and expanding the number of individual stockholders.

Thus, the problem of management in handling its shareholder relations has substantially changed from the time when the ownership of their corporations was dominated by a handful of wealthy families, bankers and financiers. The account of the stewardship of the corporation executive is now addressed to tens or hundreds of thousands of little people in almost every walk of life—more than half of these small investors, on the average, are women, and the large majority of both sexes have had little or no training in corporation finance or even simple book-keeping.

The formal or "conservative" annual report, which adequately serves the requirements of the banker or trained investment analyst, is just so much waste paper to the small investor who probably did not finish high school, or to the widow with a moderate investment portfolio left her by her late husband. But this is the very audience that management should want to reach, if it actually wishes to spread a wholesome understanding of its policies, and win friends and boosters for the products it markets.

The corporation annual reports lend themselves to a wide variety of treatments which provide figures and facts in a form that can be grasped quickly and easily by the readers of the daily tabloid, the popular magazine or digest publications. The first step in modernizing an annual report is to provide directly comparable figures for two years in the balance sheets and income accounts, but these financial statements also should be interpreted by means of pictorial graphics that show at a glance the trend from the past year. The second step is to supply a background of comparative operating statistics for ten years or more and these figures likewise can be portrayed by means of charts in many styles of presentation.

### **Make It Human**

With this backlog of simplified statistics, the next step should be to humanize the report: first by writing the "president's letter" and other editorial material in a popular style that is interesting enough to hold the average reader's attention. This section of the annual report can be illustrated by photographs that are both appropriate and dramatic, each with a curiosity-arousing caption to draw the reader into the text. In the editorial section, several of the pictorial graphics can be included to emphasize and clarify the comments on the trend of the business.

Here are the preferences of small in-

vestors for photographs and charts in annual reports (in order of their importance), as gathered from an opinion poll of active stockholders:

#### **PHOTOGRAPHS OF**

- 1) Products and/or Services
- 2) Building and Plant Facilities
- 3) Uses or Users of Products
- 4) Processes of Manufacturing
- 5) President and Officers
- 6) Outstanding Events of Year
- 7) Board of Directors
- 8) Employees in Action

#### **GRAPHICS OF**

- 1) Earnings and Dividends
- 2) Maps of Plants, Stores, Agencies, etc.
- 3) Trend of Sales, Net Income, etc.
- 4) Taxes Paid to Federal, States, etc.
- 5) Distribution of Sales Dollar
- 6) Organization Chart of Management
- 7) Geographical Distribution of Stock
- 8) Workers' Wages and Number Employed

### **Investors' First Interest**

It is significant that the primary interest of small investors is in the "products and services" offered, and in "earnings and dividends," and any annual report is remiss if it does not take advantage of this thirst for more information on basic facts. The 'above lists can be augmented by photographs and charts that are particularly appropriate to the corporation concerned.

Managements which have tested and found effective the "humanized" treatment of an annual report, have taken an additional step by converting these statements into "yearbooks." This is achieved by including a reasonable amount of biographical and historical data, as well as some reference material, which is properly cross-indexed to make it possible to find the required information. A "yearbook" treatment of a corporation's annual report encourages the recipient to retain his copy for reference throughout the year. In addition, a yearbook is a more appropriate document for distribu-

tion during the year to new stockholders.

Another development in annual reporting is the use of a magazine format to present both factual and statistical data. No annual report should be presented in "catalog" style where each page has the appearance of all the others with the chart or photograph of the same size spotted in the same corner of the page. By the use of magazine styling every page will have a different and refreshing appearance to renew the interest of the reader, and encourage him to at least start the text.

### Introducing New Products

Corporation financial reports have been effectively utilized to introduce new products and services to the shareholders, and often before such announcements are publicized to all customers. In a number of reports actual samples of products have been "tipped" in the pages or on the covers—such as swatches of fabrics, pieces of ribbon and miniatures in metal. Other reports have utilized their products as the actual cover, including wallpaper, boxboard and aluminum ink. Then there have been a few instances where the report has been accompanied with a product, such as a recipe booklet, a dress pattern or a road map.

The impact of these extra-curricular additions to the annual report has usually been reflected in a large increase in the response of stockholders to the annual report. The additional publicity obtained in the financial pages of the newspapers and in the trade journals of the field has generally compensated for the additional expense.

But the annual report should only be the keystone of the program to keep the stockholder informed. The interim or quarterly financial report is the second most important means of presenting management's story to the small investor. An increasing number of companies have converted their stereotyped quarterly earnings statements into attractive bulle-

tins, newsletters and digest booklets, edited in news style and illustrated with appropriate photographs and charts. One company publishes a quarterly magazine of 16 pages, published three times a year to supplement the annual report.

One of the most effective forms of stockholder relations literature is the "dividend stuffer" or the insert mailed with the dividend check as a "free rider" on the same postage. If quarterly dividends are paid, the opportunity is provided to send out four such mailings in addition to the annual and interim reports. These stuffers have been utilized to introduce new products and processes, explain new financing, announce the promotions of executive officers, review past actions of the management, provide biographical material on directors, offer an opportunity to send for a sample of a product, etc. During the war many thousands of dividend inserts recommended the purchase of War Bonds, contributions to the Red Cross, USO and similar organizations, but in peacetime investors are not likely to welcome any suggestion as to how to spend their income, even though the cause may be a worthy one.

Additional mailings to stockholders can include special anniversary booklets that mark the silver, golden or diamond jubilee of the founding of the corporation. Such information, however, can quite properly be combined with the annual report of the same year, and will likely enjoy a broader reader acceptance. Few investors will spend time to read a "book" or an elaborate historical brochure from cover to cover, and most anniversary editions usually end up in the stockholder's library unopened to gather dust.

### The New Stockholder

One of the most effective means of cultivating the interest of new stockholders is by a letter of welcome from the company's president very soon after the shares have been registered. Accompanying such letters copies of the latest annual

and interim report are sent, and the new shareholder is invited to ask for any additional information he requires, or to offer constructive criticism. Many managements also send a letter of regret when the shareholder disposes of his shares, and request an explanation for the action. Such letters have revealed some "excellent reasons" for the sale of stock, other than "financial difficulties" on the part of the individual.

The proxy statement has come to the fore as a further method of providing information to stockholders. This is the only vehicle through which the individual investor can voice his opinion to the rest of the owners of the corporation, and an increasing number of investors are taking advantage of this opportunity. Some shareholders will attempt to abuse their privilege by requesting non-essential information in the proxy statement, and management must exercise keen discrimination in the preparation of such documents. This is the place for the listing of executives' salaries and directors' fees, and not in the annual report.

### Meeting the Stockholders

The annual meeting of the stockholders is the one function of the corporation during the year where the investor can meet the management face to face and hear the report of stewardship from the lips of the president and/or board chairman. This is his forum, but he will not or cannot attend in large numbers if the meeting requires a long journey. Thus, an increasing number of managements are bringing the meeting to the stockholders by conducting regional meetings in large cities across the continent where the largest concentration of shareholders reside. A few corporations have established the policy of providing free bus transportation to meetings held at the "corporate office" when it is located in a small town that is inconvenient to reach.

A modern stockholder meeting is no longer a stuffy affair with hard seats, poor

ventilation and bad lighting. Progressive managements usually conduct both their regular and regional meetings in the small or large ballrooms of the better hotels, and often a luncheon or dinner is provided. A feature of these meetings is the demonstration of a new product, the showing of a movie or slide film and the distribution of samples and appropriate literature. A question period is provided where any stockholder can "have the floor" to offer his compliments, suggestions or criticisms. There is a genuine informality about most of these meetings that make the stockholders "feel at home"—an integral part of the corporation.

Following the annual stockholders meeting the minutes should be sent to all shareholders as matter of record, and the questions asked from the floor should be included with the answers in this report of the meeting. A few corporations have the minutes of the meeting attractively printed, and some have reproduced pictures of the actual meeting with "flash" photographs of stockholders talking to the officers of the company. This treatment enhances the prestige of the individual shareholder, and encourages an increasing number to attend the future meetings.

The newest development in management-stockholder relations is the effort on the part of the corporation executives to encourage shareholders to visit the "home office," the plants, and branches. One company makes it an annual practice to invite stockholders to visit the main plant during their summer vacation automobile tours, and a special reception program is planned to conduct visiting stockholders on an inspection around the property. Other companies have set aside weeks or days during the year when the branch plants are open to all stockholders who care to see operations, and refreshments and souvenirs are usually distributed to the visitors.

Important among the techniques em-

played by management in stockholder relations is the use of "opinion surveys" to determine investor interest. Questionnaires are utilized to find out the preferences of a cross-section of large and small stockholders on what topics should be covered in annual reports. By this means the management can determine the amount of space which should be devoted to each topic in the annual report. Some corporations employ professional opinion research agencies to send personal interviewers to a selected list of stockholders in order to obtain an "average" of the stockholder thinking on essential subjects concerning management policies. One company "checked" only its women stockholders, while another covered employee-

stockholders, and "results" revealed a high degree of misunderstanding on fundamental conceptions of the corporation's activities.

While the annual report is the keystone of a constructive stockholder relations program, it is actually only one part of a well-rounded campaign to win and maintain shareholder confidence and support. The bigger the corporation, the greater number are the techniques that should be employed to keep stockholders informed. And an informed "stockholderate"—to coin a term—may prove to be the strongest bulwark that the corporations can develop to assure the continuance of the American economic system.

WESTON SMITH is a New Yorker born and bred. Following graduation from New York University, he was employed by Moody's Investors Service as one of the writers of the big *Manuals on Industry, Public Utilities, Railroads and Governments*. He joined Financial World (1926) as a statistician, and served successfully as production manager, financial writer and associate editor. In 1937 he was appointed business editor, and started writing "New-Business Brevities," a column covering "other-than-financial" news of industry. Meanwhile, he handled publicity for the publication. In 1943 he was elected vice president in charge of public relations. Mr. Smith originated (1940) the *Annual Survey of Annual Reports*, and since has served as its director. He conceived the idea of presenting "oscar" for the "best" annual reports in each industry, each year; organized the *Annual Report Awards Banquets*, which have become an outstanding function in New York every fall. Mr. Smith has served as vice president and a director of the National Association of Public Relations Counsel, Inc., and is at present the president of the New York Chapter. He also is a director of the Publicity Club of New York, and a member of both the Public Relations Society of New York and the Industrial Publicity Association of New York.

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"If we work upon marble, it will perish; if on brass, time will efface; if we rear temples, they will crumble into dust; but if we work upon immortal minds, and imbue them with principles, with the just fear of God and love of our fellowmen, we engrave on these tablets something that will brighten to all eternity."—DANIEL WEBSTER.

## Book Review Section

### "HOW TO HOLD AN AUDIENCE WITHOUT A ROPE"

and

### "ARE YOU TELLING THEM?"

Reviewed by Rex F. Harlow

HERE ARE TWO BOOKS that the worker in public relations will find *most* interesting, not alone because of their useful contents but for the added reason that they are so *different*.

*How to Hold an Audience without a Rope* is a readable, informative, self-training book written for the average person in a chatty, informal style. Its author, the former U. S. Senator Josh Lee, now a member of the Civil Aeronautics Board, was Head of the Speech Department of the University of Oklahoma. He emphasizes that his present work is *not* a textbook. (*Public Speaking Manual* was also written by him, in 1924.) The warning is not needed. From the moment one picks up the book until he lays it down with regret, there can be no doubt that here is a living, dynamic volume of great practical value in training for effective platform talking. Author Lee speaks with the authority of one of America's leading public speakers. He talks from experience, drawing for illustration upon many amusing and dramatic anecdotes and jokes he has used effectively in his own speaking. He deals with almost everything it takes to talk fluently and well before others.

*Are You Telling Them?* has the subtitle, "How to Converse Well and Make Speeches." This very well characterizes the contents of the book, IF one realizes that the author is a philosopher, an up-to-date semanticist, and a teacher of speech at the University of Chicago. Bess Sondel breaks with the conventional in both what she says and how she says it. She holds that there is a right way of speech for

every person because each of us is unique. She inducts the reader into the art of analysis in order to gain an idea of the structure of statements. She explains different types of words. And she takes up the practical problem of making words work in unpredictable speech situations. Frequent examples and bits of dialogue are used. The book is concluded with straightforward answers to numerous speech problems.

The two books add needed volumes to the working library of the public relations practitioner. For the worker who wants help on the *what* and *how* in public speaking, Lee's book will suffice. But for the worker who wants also to know the *why*, Sondel's book will have an added appeal. (*HOW TO HOLD AN AUDIENCE WITHOUT A ROPE*, by Josh Lee. Ziff-Davis Publishing Company. 280 pp. + IV — \$3.00); (*ARE YOU TELLING THEM?*, by Bess Sondel. Prentice-Hall, Inc. 292 pp. + XVI — \$2.95.)

### "SAY IT WITH FIGURES"

Reviewed by Jerome Wiemokly

THE SENSATIONAL FAILURE of the *Literary Digest* poll to forecast the presidential election of 1936 focused attention on the inadequacies of the then infant sampling methods.

Today, nation-wide scientific polling organizations are successfully operating in five democracies and more are planned for the future.

Designed to survey trend of thought and life, the polls have become a major tool of the public relations practitioner. However, many details of procedure and interpretation still evade the public relations worker.

In *Say It With Figures*, Dr. Hans Zeisel has managed to bridge the gap between cold statistics and everyday language. He has filled in the spaces for those

who need an intelligent grasp of what figures mean and how they can be used. With care and intensiveness, he has described the segments of polling with careful attention to the methods applied.

Dr. Zeisel is qualified to write authoritatively on this complex subject. Formerly teacher of Economics and Statistics at Rutgers University, he is now manager of research development for the McCann-Erickson advertising agency and a lecturer at the New School for Social Research.

The author's manual ranges over the whole field of social research polling. In the three divisions of his book he reviews and clarifies the three major procedures in scientific sampling: *classification*, *numerical summarization*, and *interpretation*. He brings up questions that might have plagued the public relations worker and offers refreshingly new material.

Probably the foremost contribution of this book is a description of the panel technique. Dr. Paul Lazarsfeld, eminent sociologist, who made the first and most extensive application of the panel technique during the presidential election of 1940 says in the introduction: "This book is the first, to our knowledge, to make a systematic presentation of the whole panel technique, including the results of a hitherto unpublished investigation."

Dr. Zeisel's book is a welcome addition to any public relations bookshelf, for in it the layman can find a guide and the practical research man can acquaint himself with new material on social polling. (SAV IT WITH FIGURES, by Hans Zeisel. Harper & Brothers. 250 pp. — \$3.00.)

### "EMPLOYEES ARE PEOPLE"

Reviewed by E. A. Cunningham

HERE IS A BOOK on personnel management that places the emphasis where it belongs—on people.

Tootle deals with all the customary aspects of personnel administration, interviewing, testing, hiring, training, promotions, transfers, layoffs and all the rest, but he does so from a different viewpoint from that of most writers on the subject. His book contains no reproductions of application forms. They are a dime a dozen in Tootle's view. Nor are there any rating scales, nor the hundred and one other exhibits that make most personnel books so imposing—and so dull. The book is more concerned with philosophies than with procedures. It is written for personnel directors rather than personnel clerks.

A seasoned personnel director himself, Tootle presents his theories of personnel administration with modest reserve but supported by a wealth of illustrative examples from his own experience. He writes engagingly and a nice vein of humor runs through the book.

Several of his chapters could be titled "How to Be a Personnel Director." They tell how to organize, staff and manage a personnel department, how to deal with the various levels of management, with employees and with unions and union officials.

Of special interest to public relations people is the chapter, "Putting Out the News—and Getting the News," which offers some good wrinkles on keeping employees informed and on keeping oneself informed.

Tootle's key to successful personnel management is the Golden Rule. His message is practical, warm and witty. It will make pleasant and valuable reading, not only for personnel directors but for all who deal with people—and who does not? (EMPLOYEES ARE PEOPLE, by Harry King Tootle. McGraw-Hill Industrial Organization and Management Series. 346 pp. + IX — \$3.50.)

## PUBLIC RELATIONS IN OUR OWN BACKYARD

By FRED R. JOLLY

Assistant Director of Community Relations, Caterpillar Tractor Co., Peoria, Ill.

THOSE WHO MANAGE businesses have little opportunity to forget their three major responsibilities. Three eager hands, held open and palm up, are ever waiting for attention.

These three hands belong to the man who provided the money to create the business, the man who makes its products and the man who buys them. Men of management are aware of this and bend every effort toward making an equitable distribution to these three.

But, today, that alone is not enough. Not only must "things" at the right price and of the right quality be provided for buyers; not only must men be adequately rewarded for their labor and not only must investors receive a fair return, but it is vitally important that each *understand* the story of all three.

It is that understanding which is the X-quantity in any public, community or employee relations program. And it is developing understanding by means of a community relations program about which this article will deal.

This is a strange age in which we live.

FRED R. JOLLY was born in Greenview, Illinois, in 1903. Upon graduation from high school in Oakland, California, he went to work for various Oakland newspapers.

In 1927 Mr. Jolly joined the Kelley Film Laboratory as technician, later becoming cameraman and eventually manager. It was this experience that caused Caterpillar Tractor Company to employ him in 1934 as chief photographer. He advanced in the organization and in 1942 was transferred to the company's advertising staff. He was named to his present position as assistant director of community relations in 1944.

Never was it so easy to live, for we push buttons for light and power, we buy our clothing already made for us, we no longer build our shelters with our own hands and our food is as close as the corner market. Yet this is the most complex age that humans have ever tried to *understand*.

Because we are specialists, each in his own line, we do not really know all that is involved in the all-wool suit we buy. We don't stop to think that someone raised lambs to maturity before he hired shearers to clip this harvest. We give little thought to how he sold his wool, how it was transported to the mills, the complexities of its processing, the weaving and tailoring. We know little about padding, buttons, buttonholes, cotton thread, linings and so on.

So our age is easy to live in and hard to understand. Yet without this understanding, we drift apart and form into groups labeled management *or* labor *or* customer *or* investor. The truth is that each of us is *all four* and each must know that what affects one affects all. He must understand that every human being, in this country or any other, enjoys life to the fullest when he is most free, and that no other system has ever been found which will provide greater freedom and greater production than that under which the United States operates.

I call this competitive system or free enterprise system the "high standard of living system" for it provides more things that people want and can afford to pay for than any other in the world. It provides a high standard of living and I am certain that there are folks who *should* know this but who do not.

My thinking and my feelings are a reflection of those coming from the top management of my company. It is their firm belief that we must develop and maintain a maximum of understanding in our community if we are to have community harmony.

That is the goal of the "Caterpillar" Community Relations Division. Four simple ingredients go into our recipe. They are ordinary courtesy, good neighborliness, horse sense and a desire to do what's right. We try to put these into practice through a few simple activities; all exceedingly flexible and subject to addition or subtraction whenever it seems expedient.

Long before we had our Community Relations Division our company was doing many of the things we now list as community relations activities. Many folks in the Company did them and did them well, but some activities were being overlooked; others were left to the handling of several people. Some of our people wondered if we were doing everything possible, if, in the words of one, "we were lifting everywhere we should."

It was felt that there was a need for some sort of formal program and in August, 1944, the Community Relations Division was established. At this time much thought was given to "getting something on paper"—a simply-worded objective or goal and a list of activities which might contribute toward reaching that goal.

A single typewritten page covered it. It read that we'd try to develop and hold the community's respect for us. It said we'd be mainly concerned with the community within 25 miles of our plant; that we'd keep folks in this community correctly informed of Company news in which they might be interested; that we'd cooperate with the community on those affairs concerned with civic growth, improvement and well-being.

And then it listed "Specific Ways of Reaching the Goal." That list has been

changed a little, yet the general scheme remains about the same. We feel that today our purpose would be stated just as it was then and we would be doing just about the same things.

Here are our major activities and how we handle them:

### Newspaper and Radio Contact

Originally we set ourselves up to handle all phases of local news releases. A reporter was put on the staff and it was his responsibility to write and place news material with the three local daily papers, the forty-two weekly papers, the five radio stations and our own house magazine, *News and Views*. The latter has its own capable staff, but certain stories of a policy nature frequently develop through our Division and handling by one group simplifies things.

Recently a change has been made in the method of handling local news. The News Bureau, which formerly handled all news and publicity of a national or international nature, is now handling the writing and placement of local news. Community Relations continues to give guidance to the program and stories of a community relations nature originating in this Division, but the physical handling is done by the News Bureau. A staff for this work existed there and there was some duplication of effort, so it seemed advisable to combine the two. The new arrangement is working well, for all "Caterpillar" folk are keenly conscious of the importance of good relationships between company and community.

Some thought has been given to radio other than as an outlet for news stories. But no program has yet been uncovered which will do a continuing job of providing the community with something they want and need and which could come to them via the air waves. "Caterpillar's" consideration of community relations matters must always include the fact that its 20,000 employees are one-fourth of the employable people in the area. This is

both an advantage and a responsibility and enters into every proposal of any kind. One thing certain, a "Caterpillar"-sponsored radio program, even though local, must be a good one.

### Participation in civic activities

"It is becoming increasingly desirable and important that the people of 'Caterpillar' take part in worthwhile civic activities . . . this communication is to inform all those concerned of the Company's desire that employees handle their share of these civic duties and in every way possible demonstrate our wish to be good members of the community."

This is an excerpt from a letter to all "Caterpillar" supervision—over a thousand of them—from the President of the Company. It is an indication of the sincere feeling top management has toward the Company's responsibilities within the community. This same awareness permeates the entire management group. Without it no community relations program could succeed.

Lip service alone will not pay the bill. Active participation is a must. Over 150 memberships in the local association of commerce are paid for by the Company and, more important, almost half of those to whom memberships are assigned serve actively on committees.

Peoria's largest luncheon club, 500 members, is the Advertising and Selling Club and ten of its members are "Caterpillar" employees. One of them was president of the club two years ago and two of them have served as program chairmen.

The Company is represented on Rotary, Kiwanis, Lions and others, not just as dues-paying members but as active participants.

Employees work hard to serve the Community Fund, Boy and Girl Scouts, YMCA and YWCA, Junior Achievement, Bradley University and other school boards, the park board and many others.

When there is a Labor Day Parade or a Pumpkin Festival, high on the list of

workers will be found "Caterpillar" names. When trucks are needed for scrap drives, as once happened, when the Christmas rush and a bad snow storm caught the post office short of trucks, the Company can be depended on for willing assistance.

### Community Discussion Groups

All who served on special wartime salvage or other committees know that one of the valuable by-products of this service was the new friendships acquired. Out of friendship grows confidence and, because those who were active in this wartime work represented a cross-section of the community, new understandings of the other fellow were a natural outgrowth.

To develop that same confidence and understanding was the goal of two groups which, under the guidance of "Caterpillar's" Director of Community Relations, started meetings a few years ago in Peoria. The first group was made up of representatives of the church and business and, soon after starting, representatives of labor were invited to participate. Meetings are scheduled monthly for dinner and discussion and joint committees prepare the programs.

After dinner, a speaker from each of the three groups speaks for ten minutes on the subject selected and this is followed by an hour of discussion. No subjects are barred, some of them being "Improving standards of living," "Causes of unemployment," "Social Security," "The profit motive" and others.

Size of the group is limited to approximately twenty from each group to encourage maximum participation. The group is not an action group—it is gathered for one purpose, that of getting better acquainted.

The second group is like the first except that it is made up of representatives of education, labor and business. It meets and carries on its program quite like the first group.

The friendships which have grown out

of these meetings have been numerous and they have contributed in many ways to the community. It is through meeting face to face and exchanging views with others that typical Americans learn how goods are produced and distributed, how funds are secured, how the whole economic system works in this great free country. There is no estimating the real value which has come out of these group meetings.

### Help for the Program Chairman

In every town there are scores of groups which meet at more or less regular intervals. These are parent-teacher associations, church men's clubs, luncheon clubs, women's clubs, our own employee groups and many others. One of their main concerns is finding programs which will interest their members.

For some time, this Company has made it known that it welcomes an opportunity to provide speakers or programs for those wishing them. A 16mm motion picture projector and screen were among the first purchases made for the Division and these are provided, along with an operator, with the Company's compliments. Films may be sound-color films from our own vaults or they may be films provided by the group.

Calls for speakers are numerous also, and Community Relations acts as a clearing house for these requests. A list of speakers and their special subjects is kept up-to-date. Sometimes requests are for specific subjects, sometimes the subject is left to the speaker and, quite often, the subject has nothing whatever to do with the Company. As can be imagined, among 20,000 employees there are sure to be folks who can talk on almost anything.

To assist these speakers a two or three page letter, issued as material accumulates, is sent to keep them advised of such things as the current expansion program, progress in research and similar subjects. Outlines of talks made by Company personnel is included, as is an occasional

"helpful hint" on speaking. This letter has been particularly well-received.

### Direct Mail

As a part of the program of keeping community leaders informed, mailings are made to those considered the thought-leaders and opinion-molders. Our mailing list includes 8,000 educators, business and professional men, clergy, local governmental officials, neighborhood stores and barber and beauty shops. These are, of course, all within the area where our employees live.

Not all 8,000 receive every piece we mail. Because of the large number of "Caterpillar" employees in the community, a high percentage of school children come from "Caterpillar" families. Therefore school teachers have more than average interest in what goes on at the plant. For that reason, during the school year, they are sent *News and Views*, which contains news of interest to employees. Such printed pieces as an announcement of the Company's huge expansion program and a booklet which carried the story of the Company's history and its great research program, were sent to the entire mailing list. Special issues of the plant magazine, special pieces produced by the advertising department and showing products and copies of important letters from the President to employees are sent to the entire list.

Ministers tell us they are the target for an untold amount of communist and radical literature, so those in our community are on a special mailing list. We wrote them originally that we frequently read material which we thought might interest them, and that unless they objected, we would like to pass along booklets and reprints which were outstanding. This material is always something we have picked up from others and in most cases is an explanation of some phase of our economic system. We have received many letters of appreciation.

People like to be appreciated. No op-

portunity is lost by our men of management to drop a note of congratulation to those who deserve it, nor to praise those who have accomplished something special. A brief note from a friend is worth a great deal.

### Plant Visits

Visits to this plant are not new. For a long time prior to the war owners, prospects, dealers and their men from all over the world, employees and their families and casual visitors came to pay us a visit. During the war, for security reasons, this program stopped. The last year on record listed over 19,000 visitors.

Being a good neighbor certainly calls for asking the folks next door in for an occasional visit—and plant visits at "Caterpillar" are high on the list of good community relations activities. Monday through Friday, at 10 a.m. and 2 p.m., regular trips are scheduled and special trips are an everyday affair. The groups listed above also continue to come in but special efforts are made to bring in the thought-leader groups in the community. For example, all the high school teachers have already paid us a visit. Nearly every minister has seen the plant. Luncheon club members, civic associations from our own and nearby towns, church men's clubs and many others have taken a trip.

For these special groups, special invitations are sent and special arrangements are made. The program usually follows along this line. Visitors arrive at 4 p.m. and are given safety glasses and passes and are escorted to the Showroom Theatre. First on the program is a sound-color motion picture (usually a 30-minute picture of our products at work all over the world). Following the film, two Company executives give brief talks, one speaking on the plant and its relation to the community and the other on the people, the employees and the Company's relationships with them.

Visitors are then started on their trip through the plant. They are assigned an

escort, usually about seven or eight to a group, and make approximately half of the plant trip. At this point they arrive at one of the Company's newest cafeterias and they have dinner as guests of the Company. They eat exactly the same food as is served employees although arrangements are always made for them to eat ahead of employee groups to avoid congestion. Comments at this point are always most complimentary, both as to the kind of food and the cleanliness of the facilities.

Stopping at the half-way mark is a great advantage, for our buildings cover well over a hundred acres, and to see even part of them takes much walking. Trips are generally completed by 8:30 p.m.

A word here about the plant escorts themselves—young men who hold promise of going places are selected. There is always a need for ambitious and energetic men with a good knowledge of product, manufacture and dealer organization and the training these young men get qualifies them well for other spots within the organization. They are under the supervision of a man with considerable experience in this, as well as sales and training work.

### Requests for Contributions

It is, of course, a compliment to a company in a community when those raising funds for worthwhile civic affairs ask for financial aid. It is a measure of the success of that company's efforts at being a good neighbor. If the fund-raisers did not feel the company was interested in community things, they would not seek their support with corporate funds.

As a large employer in a relatively small community, we get many such requests. And every solicitor is courteously received and his entire story heard. Naturally, in this as in any activity, it is necessary that some sort of philosophy be worked out and, over the years, ours has been developed. It is natural that everyone making a request feels that his par-

ticular program is most worthy of a gift, and we would like to give to all which are worthy. However, since we are on the receiving end for many hundreds every year, this is not possible, so we try to give to those which serve the greatest number of people in our community. We find it difficult to give to those organizations which serve a very small segment of the community. In other words, it is difficult to recommend the giving of corporate funds to an organization where only a few hundred enjoy the benefits of the gift or where membership is restricted.

On the other hand, such organizations as the Community fund and Red Cross can easily qualify under such a philosophy. Character-building organizations such as the YMCA, YWCA, Boy and Girl Scouts and groups which have no limits as to the races, colors and creeds they serve seem to us to fall within the limits of those we may properly help.

Of course, those groups which look toward the general improvement of the health of the human race receive our attention. These include the tuberculosis, cancer, heart, polio and similar organizations.

In any case, every appeal is heard and, whether the answer must be yes or no, careful, thoughtful consideration is given the solicitor and his proposal. It is important, we feel, that the man we turn down feel that we do so for good, sound reasons.

### **The President Decides**

But the Community Relations Division is not the final word in appeals. In our Company, as in most, only the President of the Company can give away the shareholders' profits. Therefore, it is our duty to carefully survey and review each request and pass along our recommendations to the President.

There can be no perfect set of rules whereby one can say this request should be granted and this one denied. Experience plus a real desire to understand the

other fellow and to help him if you can seem to be the best guides in the matter of corporate gifts.

### **Three Parts of Courtesy**

We early mentioned that ordinary courtesy was one of the ingredients in our community relations recipe. There's a lot of real satisfaction in treating folks courteously. You usually get back what you put in when you deal in a friendly way with others, and that is certainly true in personal, letter and telephone contacts. We have moved a short way in that direction by the use of films on telephone courtesy (the telephone company is eager to assist). We have bought slide films on "good letter-writing" and we have reprinted, with the permission of the original publisher, a booklet titled *3 Points of Contact*. The latter—distributed to every employee who writes letters or uses the phone for the Company—is a humorous discourse on the proper use of these methods of communication.

This is just a step in the right direction, but it is a beginning and its effects are already being felt.

### **Community Goodwill Is a Real Asset**

To recap, we have a community relations program because we think it is right that we take part in community affairs, that we try to be good neighbors. It is satisfying, and it makes good sense. Even if we took the selfish view, we could see where community and employee goodwill paid off in better production.

But there's that more important reason why we should develop understanding: The danger that the people of this country may vote against the very system that provides them with the greatest freedom and best living in the world if they fail to understand business and the reasons for our free market system. They may make the same mistake other nations have made. They may select another system which *promises* much but delivers

(Please turn to page 32)

# THE WEATHERVANE

Edited by WILL WILLIAMS, JR.

Manager, Publicity Department, San Francisco Chamber of Commerce

## Symposium

"PUBLIC OPINION IN A DEMOCRACY" is the title of a booklet reprinting articles that have appeared during the past six months in the Dartmouth Alumni Magazine. The articles are (of course) all by Dartmouth men; but those men include such figures as Hadley Cantril, Claude A. Jagger, A. J. Liebling, Carl D. Groat, Jerry A. Danzig, Cedric Foster, Walter Wanger, Budd Schulberg and Michael E. Choukas. The articles cover nearly every phase of public relations, press, radio, motion pictures, and public opinion. Cantril's remarks on the pitfalls of polling are of interest. He says: "Interviewers must be trained to avoid influencing, by word or attitude, the person they are questioning. Questions must be framed so they are readily understood by everyone and so they do not themselves influence the responses made. Almost every ballot used by public opinion organizations contains a space for what is called 'Vital Information'—that is, the occupation, sex, age, economic status, education, nationality background, religious affiliation, and other characteristics of the person interviewed. This not only provides valuable information to relate to opinion, but it also makes it possible for the central organization to keep a constant check on this miniature sample."

## Choose Your Side

ONE OF THE ENTERTAINING ASPECTS of the public relations field is the existence of organizations or societies to promote or defeat this and that which are ranged on opposite sides of the fence. In the field of cooperatives there exists the National Tax Equality Association (NTEA) which is "agin 'em" and the National Association of Cooperatives which is "for 'em." Without saying that

each provides the other with a vocation, it is interesting to stand in the middle and review the barrage of information material that outpours from each organization. Pity the poor editor. At hand is a document of four mimeographed, single-spaced pages from the National Association of Cooperatives, with the following headline: "American Justice Prevails Over Another Anti-Co-Op Attack. Supreme Court of Kansas Sustains CCA in Widely Publicized Case. All emphasis in quotations to follow is our own."

Trials of such issues as these before the bar of public opinion are indeed reminiscent of the courts of law where rival advocates present their cases. Such organizations as those mentioned plead their causes in a greater court. Is the counselor on public relations to succeed the counselor at law?

## Do Tell

VOLUME ONE, NUMBER THREE of a new magazine, "TELL", has been received which is subtitled "The Idea Magazine of Marketing." The magazine covers fields of selling, advertising, promotion, research, public relations, and packaging. It is issued in a square 12 by 12 inch format with three column pages and features a multiplicity of brief articles and checklist items. The editor is Carlton C. Porter, and the address is 180 West 42nd Street, New York City.

## Annual Reports

FINANCIAL WORLD WHICH HAS MADE a hobby of annual reports for several years now, under the direction of Editor Weston Smith, reports on the reports in its current issue.

This year's survey, the seventh in the series of annual competitions, is featured, Smith says, by the largest number of corporations which have forsaken their stere-

typed formats of many years repetition, and within the past year changed to informative and attractive brochures.

Some 758 reports have been rated "modern" and are being referred to a committee of judges who will pick out the best. Findings will be announced in early October with awards of bronze "Oscars of Industry" at a banquet in New York's Hotel Pennsylvania, Friday, October 10, 1947.

### **Brief**

**I**N A BRIEF directed to "Boards of Directors of American Business" Fortune Magazine argues the case for peace in our world. The editorial from Fortune was inserted in the Congressional Record recently by Senator Carl A. Hatch of New Mexico. How much are we willing to pay for peace, inquires the editorial.

"Let us start the bidding ourselves. We will offer one hundred billion dollars for peace," the editorial declares. "This is not for outright purchase, you understand. We have no illusion that anyone can take perpetual title to peace for that or any other sum. Instead, we will put up one hundred billion dollars for a 50-year lease on peace, and an option to renew it at a negotiated figure for a further half century."

### **Public Relations Education**

**T**HE NEW SCHOOL FOR SOCIAL RESEARCH in New York last month awarded certificates testifying to "proficiency in public relations" to six students who completed the school's full training course in public relations and publicity.

Graduation exercises featured an address by Howard Chase, director of public relations for General Foods and Dr. Benjamin Fine, Education Editor of the New York Times, made brief remarks.

### **Public Relations Course**

**A**SERIES OF BOOKLETS on public relations titled "How to Plan Printing to

Promote Business" is being issued by S. D. Warren Paper Company of Boston. A very incidental sales plug for Warren's papers is included in each booklet; but the series focuses on informative material. The booklets are mailed singly at two week intervals and cover the nature and functions of business in general, functions and responsibilities of management, management and corporate society, printing as an aid to management, forms and designations in printing, types and typography, reproduction processes, papers and their uses, and regulations and lists. A very well prepared series of books, this is a worth while (free) addition to one's P.R. library.

### **Military Public Relations**

**T**HE SOUTHERN NEWSPAPER Publishers Association reports that a consciousness of public relations values is becoming widespread in Army and Navy circles. A bulletin of theirs was incorporated into the Fort Knox, Ky., Universal Military Training Experimental Union. According to S.N.P.A. officers and non-coms are being assigned from all over the Army and oriented in the techniques of handling teen-agers that have been developed in the past six months. One of the outstanding features to anyone interested in public relations is the lecture on that subject given to high ranking officers who may someday be in charge of an UMT unit.

### **Medical Public Relations**

**R**EPRINTS OF THE LIFE MAGAZINE page in its June 23 issue featuring doctors of the Medical Society of the State of New York who have been in practice over 50 years have been mailed throughout the country by Dwight Anderson, executive secretary. The Society's public relations bureau has done an interesting job in this case. A dinner was given honoring the venerable old doctors at the annual meeting in Buffalo of the Medical Society of the State of New York. Resultant public-

city, with its prestige building slant, is very satisfactory.

### *Everyone Has Public Relations*

"... EVERYBODY is a public relations man, more or less." So says Earnest Rogers in the Atlanta Journal. Rogers continues: "Whether you are fronting for a large corporation or yourself the element of public relations is ever present. In your own little sphere you succeed or fail largely in proportion to the impression you make on those around you. . . . To make life pleasant and purposeful it is necessary to enjoy the good will of your fellows and to earn this it is necessary for you to make your share of the concessions and carry out your part of the act. If you work in an office or sell something on the outside you must work at this job of being a public relative or resign yourself to bringing up the rear of the human parade."

### *Value of Publicity*

THE CASE OF PUBLICITY MAN John Meyer offers an interesting bit of food for public relations thought. Clem Whitaker points out that Meyer, Howard Hughes' publicity man, is reaping the whirlwind. Henry Kaiser is another case in point. It's not the amount of publicity you get that matters. It's the kind.

### *Public Relations Program*

AN INTERESTING PAMPHLET, "Public Relations in Action" outlines the program of the Illinois Association of Small Loan Companies. It was prepared by James H. Cronin, general chairman of the association's public relations program.

The pamphlet gives general background on public relations, the organization chart of the Association, and tips on the use of public relations material, including the manual, special booklets, model speeches, a kit of materials, envelope stuffers, pictorial bulletins, month-

ly bulletins, annual report, advertising, and meetings.

"Public Relations is a phrase we read in the newspapers, hear over the radio, consciously or unconsciously practice, think we know all about and believe we know nothing about," the pamphlet declares.

"In reality, it is an old campaigner arrayed in a new set of clothes. A quarter of a century ago, foresighted business and professional men, clergymen and politicians called it 'good will.' Down through the ages it has existed as certainly as the basic traits of mankind which we label 'human nature.'

"Simply stated, public relations is the business of making and keeping friends and we in the small loan business have a duty to perform in acquainting public-opinion-forming people in the community about our business."

### *Free Advertising*

PROFESSIONALS in the public relations field will be interested to learn that publicity is just free advertising, according to an article in the *Trader and Canadian Jeweller* for May which tells, on page 22, how to grab yourself some free advertising. Rally round, boys!

### *Interviewing Procedures*

APPLICANTS FOR JOBS want to know about the company they may be working for. To meet this question Standard Register Company of Dayton, Ohio, has standardized its information and revised procedure accordingly for interviewing of prospective employees. They built a slide film illustrating in detail all that the applicant wants to know, and a full report on the results is contained in the May 2 issue of *Printers Ink*, page 48.

The standardized presentation of information eliminates hazards of haphazard verbal conversations. Plan was worked out by the Sales Educational Director, J. N. Griffith.

### Waldenwoods P. R. Conference

A SERIES OF LIMITED-ATTENDANCE, discussion type clinics has been held since 1936 by Dr. Raymond W. Miller under sponsorship of various organizations, and the most recent was held at Waldenwoods, Hartland, Michigan, in May. According to the program of the "Public Relations Retreat-Clinic" held under auspices of Dr. Miller's American Institute of Cooperation and the Michigan Association of Farmer Cooperatives, the central theme is that of "humanizing the corporate person."

What is public relations, and why—techniques—do's and don'ts in public relations—tools—natural allies in public relations and how to find them—the human balance sheet—public relations and management—the publics of business—public relations in the public interest—and "a conscience in business." Such are the intriguing topics which were discussed at panel meetings.

### Marketing and Opinion Research

READERS OF ROY FROTHINGHAM's article on "Application of Marketing and Opinion Research to Practical Public Relations Work" in the June issue of the *Public Relations Journal* will be happy to know that reprints are available in limited quantity.

### YMCA Film

THE PUBLIC RELATIONS BULLETIN of the YMCA for July 10 is devoted to a description of the M.G.M. motion picture, "Give Us the Earth" which tells the story of rural reconstruction work carried on by the YMCA in Mexico under direction of Dr. Spencer Hatch.

The movie is produced as part of the "Theatre of Life" series issued by M.G.M. and is a P.R. triumph for YMCA.

### Public Spending

FIGURES COMPILED by the National Industrial Conference Board on annual

expenditures of the government—Federal, state, and local—over the last three and one half decades indicate that significant shifts have occurred in the normal spending relationships between these three public bodies.

Before this war period, combined state and local expenditures occupied the dominant position in government spending. The situation is reversed today. Federal spending now dominates. Overall cost of government has risen to such an extent in recent years as to have become a major item in the average family budget.

Effect of this trend will, inevitably, be to increase public awareness of the government's role in economic life, thus providing a better basis for understanding of business problems in relation to government. This is a trend of which public relations workers may well take advantage.

### San Francisco Stamp

A POSTAGE STAMP just issued which features San Francisco and its bay-with-bridges was launched with appropriate ceremony in that city July 30 with exercises in the rotunda of the City Hall. Thrilled by the honor paid it, the city put on a program including speeches, "The Star Spangled Banner," an invocation, orchestral selections, and a formal presentation.

The postage stamp is the first in a hundred years of U. S. postage to feature the skyline of a city. Central design of the stamp depicts a modern four-motor plane in flight above the S. F.-Oakland Bay Bridge, with the city in the background and a ferry boat beneath the bridge. The stamp is the 25 cent air mail denomination. It is printed in blue, with the wording "Air Mail" in dark Gothic on the upper left, and across the bottom in a dark panel, the lettering "United States Postage."

### Report to Employees

SANTA FE SYSTEM LINES has issued a booklet which summarizes with spe-

cial comment directed to its employees the company's annual report to its stockholders. This technique, much adopted recently, of letting employees "behind the scenes" does a double job of creating good employee relations and making salesmen for the company out of them all. The Santa Fe report is livened with cartoon-style illustrations and brief copy with the figures and statistics translated into graphs, charts, and pictures.

"There are many reasons for telling facts about the Santa Fe throughout the United States," the pamphlet says. "We believe there are millions of persons who hope some day to see, or live in, the great Southwest. Naturally, we try to link our part in that picture with their future plans. News about the Santa Fe is also of value to shippers in making plans for merchandise distribution and plant locations, in the light of population shifts."

### Community Relations

**A** LONG TERM INFORMATION PROGRAM to acquaint the local public with indus-

trial facts has been launched by the "Industrial Marketers" association in Rockford, Illinois.

Object of the program is to sell "American Opportunity" through telling the stories of local industries. The job is done through a one page ad once a week in the local newspapers of which reprints are made available for special mailings. Campaign is directed by a special public relations committee.

### Advertising Campaigns

**T**HE STORIES of fifty newspaper campaigns are included in the 1947 edition of the Blue Book published by the Bureau of Advertising, American Newspaper Publishers Association. The stories show how newspaper advertising helped solve a multitude of sales and marketing problems in the face of rising costs and reborn competition in 1946 and early 1947.

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## PUBLIC RELATIONS IN OUR OWN BACK YARD

(Continued from page 27)

only scarcity, friendlessness and sorrow.

But it will not happen if businesses are understood—in *their own communities*. If we, the industries of Peoria, do the job in Peoria, and if other industries do the

job in their own communities, there is no danger that the American people will misunderstand the "high standard of living system." They will know it first-hand—and they will like it!

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*"Men must keep their trust in the ultimate triumph of good and right, in order to reconstruct, after this war madness, a world in which life is worth living. Dark days, hard days, days of discouragement and disappointment come to everyone. At such a time, if we could stop thinking about ourselves, cease the habit of brooding over our troubles, cultivate a genuine interest in others, learn the secret of sympathy and love, it would add much to our peace of mind."*

*"A nation that is to endure must build upon the foundation of moral and spiritual forces. Brute force, the law of the jungle, attempted progress in material things only, cannot long endure."*

—GRENVILLE KLEISER.

# INSURANCE FOR CONTINUING SALES

## A ROLE FOR PUBLIC RELATIONS

By CLAY H. HOLLISTER

*Consulting Management Engineer, Los Angeles*

**P**UBLIC RELATIONS with customers is not generally classed as direct sales effort since frequently no specific sales results can be attached to the work. Nevertheless conscious attempts to improve public relations with customers can be of substantial importance and value in a long-run sales program.

In the Company for which I later worked, there were conditions which led a well-known firm of public relations consultants to suggest a new job within the Company. They felt that a group of the Company's distributors needed "a friend at court" in order to improve public relations with them. This closely-knit group of 180 distributors, purchasing \$10 to \$15,000,000 of the Company's products annually, mistrusted most every move that the Company made. Furthermore, because of the extremely close personal relations among most of the distributors, they kept their mistrust active by a constant comparing of notes.

Typical of the mistrust, one customer carried a minimum number of lines of merchandise and gave a minimum of co-operation in many other ways because a Company salesman had once betrayed a confidence some years before. As recently as the middle 30's, some distributors did not permit salesmen from the Company

to address their own sales meetings.

Attitudes, of which these were indicative, stood to affect sales volume for the Company.

It was my privilege to undertake the job as "friend at court" for the distributors who were located all over the United States.

This brief sketch will explain more of the background circumstances, amplify somewhat the prevalent attitudes, tell of some of the measures taken, and evaluate certain results in this case where a long-term public relations program was undertaken in order to improve or safeguard sales.

### Background Circumstances

First, by way of background, there is the industry picture to understand.

The industry is a large, national, basic one, limited in the number of competitive units, high in profits, requiring substantial capital investment. At times, the federal government has looked askance at the competitive practices, both on the part of the manufacturers and also on the part of some groups of the distributors involved in handling the industry's products. Four manufacturers do probably 85 per cent of the total industry volume.

For the most part, as is not infrequent in many other industries, the principal manufacturers serve two basic groups of customers. "Large" manufacturers of other products are permitted to buy direct from the factory, while all others not within the "charmed circle" must buy from those who perform the wholesaling function. The "direct buyers" almost always incorporated our products in their own products and thereby our products' identity was somewhat submerged.

**EDITOR'S NOTE:** The importance of public relations to the sales activity of an organization is one phase of overall public relations that frequently is not too well understood.

For that reason, we invited Mr. Hollister to produce the accompanying article which is, in effect, an actual case history illustrating the close relationship of public relations to sales and the importance of public relations to the maintenance of sales.

The customers who were in our field of public relations interest were independent "distributors" or "wholesalers" and their total sales volume ran second to the direct-buying group of large manufacturers. The distributors, therefore, felt neglected or imagined themselves to be stepchildren.

One further condition affected the relations between our Company and the distributors who were buying the millions of dollars of our products. Our principal competitor owned its wholesale warehouses in contrast with our distribution through the independently-owned wholesalers or distributors.

With such general conditions in an industry, it is not unexpected that there had been room for indifferent public relations between us as manufacturers and a large group of the distributors.

### Prevalent Attitudes

One major attitude tended to affect confidence between our Company and these highly independent distributors. Several distributors had gone so far as to say outright that our "Company was making money at the expense of the distributors." Contrast such an attitude as this, when translated into purchases from us and other sources, with our principal competitor's warehouses whose purchases were obviously confined exclusively to their own factories! The situation was no less delicate each year after publication of our annual operating statements, since our annual report generally showed net profits in millions.

In terms of our sales, some of our distributors were seriously considering permanently diverting substantial purchases to other domestic suppliers or to foreign countries even though the other competitive lines of products were inferior or less complete. Furthermore, many individual orders were given to the others in the industry, whenever relations became more than usually strained. Many distributors also held the attitude that our Company, by permitting more than one franchised

distributor to exist in large trading areas was impairing the original distributor's chances for sales and profits.

Still another frequent "beef" which was a variation of the "I-want-to-be-alone" distributor theme was that the small-town distributors got all the breaks since they had "no competition" and could therefore ask and get outrageous prices. A corollary of this complaint, generally again from the larger distributors, was that "there was no reason for the little fellow who may buy only \$100,000.00 a year" from us "getting as good a price as the big one who may buy ten times as much."

One further permeating undertone was carried over from some obscure roots in the past. While never directly expressed, the sentiment seemed to be: "Our Company was out to get the better of the distributors," and for this reason, secrecy should be maintained in all possible ways. It was perhaps this secrecy attitude which had led to the condition where our salesmen were sometimes not even permitted to address groups of the distributors' salesmen, even if only to explain the merits of products in whose sale the distributor was vitally interested.

### The "Secrecy" Tendency

Possibly the principal manufacturers prolonged this "secrecy" tendency in many ways, one of which was by quoting prices based on "list prices" which had not been modernized for many years. One product still was quoted on a list price "less 90, 10, 10, and 5%" or "list less 85, 30, and 5%"! The intent was apparently to confuse someone into thinking that the manufacturer's selling price for the product was not known or else the inherent value was greater because the "list price" was so high. Modern merchandising sets little store by either of these lines of reasoning as an aid to profits at any stage of distribution or manufacture.

So much for a thumbnail sketch of the more obvious facts of the general back-

ground of the industry and the prevalent attitude which influenced the long-range sales program of our Company.

How then did a combination long-term public-relations program and sales promotion, mesh with the order-producing job to be done by our Company's sales department?

### Measures Taken

For the "friend at court" within our Company, it was essential to understand the distributors' problems and explain them to the management of our Company. Secondly, the "friend at court" ought to be able to translate to the distributors some of the facts which by our Company standards, seemed so obvious and so much overlooked.

In 1939, after being appointed as "Distributors' Counsel" reporting directly to the Vice President in Charge of Sales, it was soon apparent that much of the misunderstanding and many of the unhappy buyer-seller attitudes sprang from lack of information or facts on all sides of the fence.

Job No. 1 for the Distributors' Counsel was to find out whether the distributors were making money or not; if they were, how much were they making?; if they were not, was that because our Company was making too much money?; and were our high profits being made at the expense of the distributors?

A composite statistical report, if built up from the actual earnings of a cross-section of all distributors, would answer these questions. This report was achieved for the year 1939 by having basic operating information returned to an outside professional firm who reviewed the figures, tabulated them, and compiled composite statistical figures. Out of a total of 180 distributor units, 39 sets of figures were incorporated in the first year's results. This twenty-four per cent sample appeared to be adequate.

From the seven tables of figures and such other general data as was available,

(for instance, Census data) it was possible to develop about 30 pages of written text covering such things as: causes of differences in net profits, typical expense and cost levels, types and volumes of different products sold, types of customers served, suggestions in connection with basic factors affecting profits substantially.

This material was published in an attractive booklet, personalized for each important individual in each distributor's organization and presented at the end of a general distributor's sales conference held in 1940. During the conference, the essence of the pamphlet was presented in a talk with slides, in order to show the distributors some of the graphs which they would later find again in their own booklet.

### How the Job Grew

The second year 53 distributor units cooperated and the study was more complete in detail. It was also printed, in what seemed to be a more readable form, and presented again to all important members of the distributors' organizations. Extensive use was made of symbols and charts, and figures were held down to an absolute minimum in order to make the general reading of the booklet as easy as possible.

Certain facts were brought out and as they sank into the thinking of our Company and its distributors, the basis of many disagreements diminished. Our Company sold to all distributors, large and small, at uniform prices. Despite these uniform buying prices, the range of return on invested capital for these distributor operations, ranged from a low of an 8 per cent loss to a high of a 27 per cent profit within the same year. It could therefore be shown that a distributor's own activities affected his profits far more than any specific problems of our Company. Certainly, our Company was not making money at the expense of all its distributors when there was any such divergence of results within distributing

organizations, no one of which had any purchase advantages.

To bear out the contention that good management was an important clue to high profits, it was possible to show specifically where management was falling down in some cases and doing well in others, item by item.

For example, capital invested in such items as inventory and accounts receivable varied widely. The best inventory turnover from a profitable distributor operation was shown to be 6 times in contrast with the poorest turnover of 1.4 times. And in accounts receivable, the best usage of capital showed a 31-day average of outstandings while a less careful distributor showed a 97-day average.

Perhaps less understandable in a business of buying and selling was the series of answers which came to questions about buying and selling prices of several specific heavy volume items normally carried by all distributors. The purchase prices of one item were listed by 11 distributors out of 28 units reporting at figures below our actual sales price! In other words, they could not even figure out what they had to pay for their merchandise.

To facts of this sort showing actual inept or careless operation, the distributors had an answer, of course. Such things were only done in the "other fellow's operations." However, the weight of evidence indicated some of the reasons for lack of adequate profits and many of these reasons could not be laid at our Company's door.

For instance, it was also possible to show that higher volume did not always yield appropriate gross profit increases. Or in other words, extra volume was being obtained in many cases by cutting prices more than the facts warranted. Since our Company could not control the selling prices at the wholesale stage, it was not reasonable to criticize our Company when volume business was taken at unfortunate prices.

Another elemental fact was surprising.

The greatest chance for profits appeared to exist in large cities having more than one of our distributors. The complaint about multiple distributors, therefore, lost much of its sting.

### Basic Economic Facts

Perhaps as important as some of the myths that were exploded were certain basic economic facts brought out and brought home to the "home-office" of our Company. In connection with the basic problem of furnishing maximum values for the ultimate users of our Company's products, the operating expenses of the distributors made tremendous differences in the prices which the distributors charged. For instance, when the distributor's annual sales volume ran less than \$125,000.00 in 1940, the actual operating expenses averaged almost 33 per cent of net sales, but when annual volume exceeded \$750,000.00, the same operating expenses ran under 18 per cent. This meant that for the small distributors, there was a 15 per cent expense premium which had to be met by higher prices and which in no way improved the value received by the ultimate consumer who happened to be purchasing our products from a small distributor. In some way, the smaller distributors needed to be furnished products to build volume substantially if they were to be expected to give good values. If they did not give good values, our Company suffered in the long run, either from our direct competitors or from other industries.

The studies also emphasized the fact that our principal competitor who had two major lines of products (against our one), might enjoy a definite economic and competitive advantage in many cases where two principal lines might reduce warehouse operating costs and permit them to sell at lower prices while still making profits.

Much additional material was developed in the second year's study of operations and 56 pages of interpretation of

the figures were published for the direct benefit of our distributors.

Job No. 2 developed from Job No. 1. It turned out that many distributors did not join in submitting their operating figures because their accounting was more or less inadequate to furnish the necessary information. It became apparent that many distributors needed better accounting methods.

Therefore, after a survey of 30 distributor operations, an Accounting Manual incorporating the best practices was drawn up and published. Every attempt was made to have the Manual useful, practical, understandable, and easy to use. To this end, "reason why" copy was used throughout as well as copious illustrations, examples, and cartoons.

#### **"Reason Why" Copy**

In presenting the section on "Statements," an excerpt from the text will show the simplicity of the "reason why" approach used throughout the Manual. The text reads: "The principal advantage to be derived from using monthly operating statements is for management to have an overall picture of each month's operations in time to make improvements as soon as their need is indicated."

A loose-leaf binder was used since this permitted the Manual to be kept up-to-date by the addition of appropriate new sections whenever they appeared to be warranted. In this way new sections, such as "Wartime Accounting," "Budgets," and other refinements were added long after the Manual was completed.

Job No. 3 was not a single job at all and it had no exact start or finish. In many cases, the individual distributor operation might not benefit enough merely from a comparison of his own individual results with the composite results, or he might not be in need of anything as simple as new accounting alone. The Distributor's Counsel then had to put on his hat and go "trouble-shooting" in one of the 180 separate distributor operations in

some one of the 115 trading areas.

One specific case will suffice to illustrate the extremes to which matters went in requiring specific individualized managerial assistance. Two relatives had grown up together, building over a period of years, a business of a few millions in annual sales volume. Gradually they drifted apart in their thinking and in their emotions. At one point, for 90 days neither had spoken to the other, and both had been giving conflicting orders within their own company! The internal organization of the company was coming apart under this divided rule. If the distributor's organization broke down, our sales would suffer. What to do? The Distributor's Counsel was called out to the distributor's operation, spent two weeks in finding facts, suggesting reorganization, starting the reorganizing, and leaving for another "personal appearance" in another operation. Within the next three weeks, the principals in the distributor's operation were once again on good terms and our Company was able to continue selling our products. Since the end of 1940 when the reorganization was put into effect, several millions of sales have come from this reorganized operation alone.

Where materials handling or process specialists were indicated, arrangements were made with the regular members of our Company's production organization to go out and solve particular engineering problems. In such a way, new warehouses were laid out for economical operation, or old layouts were revised to accommodate new processes.

#### **Job No. 3**

Again new buildings required new design treatments sometimes. So our Design Department pitched in to help the distributor.

Job No. 3 was therefore specialized service tailored to the specific needs of each distributor.

There were other jobs, too, keyed to

the same basic intent, "Let's make better businessmen out of our distributors so that they will do a better job competing with the company-owned warehouses of our principal competitor." However, the activities were always related to the problems of better public relations, so that the distributors would get more sales, better operations, more profits, and our Company would get more sales.

### What Were the Results?

The Second World War came along and our distributors made greater profits like many another company. Their sales jumped too, and they are still very high. The specific sales results of this long-term public relations program and sales promotion are impossible to evaluate yet because sales volume figures are lost in the war boom maze.

But in any event, some things are known: The worst of the attitudes, "Our Company is making money at the distributors' expense" has disappeared. Most of the other unhappy attitudes based on surmise rather than facts, have disappeared. So much for intangibles.

However, some tangible facts are now known. Over 100 distributor units out of 180, changed some or all of their accounting within two years. (Obviously, no change was undertaken except where it

was felt that the changes would improve profits directly or indirectly.) Along other lines, 65 units were helped personally in solving specific problems of management or sales or engineering. In general matters for the benefit of all distributors, new measures were developed to serve as a guide for the distributor to the character and extent of the potential volume in our products for him in his area.

All in all, one intangible result is, that the distributors are more "sold" on our Company and our Company understands some of its distributors' problems better than it did in 1939 when this program was started. From the broadest consideration of sales policy, the original decision still holds good because a well-informed, intelligent, independent distributor, operating on his own money, does a better job than many a "hired" warehouse manager working for a distant home-office.

And "the cost" of such a program, you ask? At the start, costs ran 2 or 3 tenths of one per cent of the net sales involved. Lately, it's been less. Certainly, a public relations program of this sort having such a direct effect on sales cannot be classed as anything but the best kind of inexpensive "insurance for continuing sales" and a highly necessary part of tomorrow's sales program for many alert manufacturers.

*CLAY H. HOLLISTER received his A.B. from Harvard in 1924 followed by a M.B.A. from Harvard's Business School in 1927.*

*1929 to 1934 Mr. Hollister was associated with White & Wyckoff Manufacturing Company progressing to the position of assistant to the president with the responsibility of planning general sales strategy with the president. The period of 1935 to 1937 he undertook a tour of "trouble shooting" for Marshall Field and Company, Chicago. The next two years he spent as assistant to the president, Fruit of the Loom, Inc., New York City. 1939 to 1944 he was with Libbey-Owens-Ford Glass Company, Toledo, as general assistant to the vice president in charge of sales.*

*In 1945 Mr. Hollister became director of public relations for Adel Precision Products Corporation, Los Angeles, where he was responsible for advertising, sales promotion, publicity, research and general public relations. He held this position until 1946 when he opened his own offices as management consultant in Los Angeles.*

## PRSA

(Continued from page 3)

no one wants the dues to be a hardship on members, or to be higher than necessary for the proper purposes of the organization.

This phase of the problem, like others, was discussed fully at the Chicago meeting, and as in some other instances, there were divergencies of view at the outset. But the spirit of mutual respect for one another's opinions and the honest approach to each phase of the subject led in almost all instances to a completely unanimous conclusion as to the best course to pursue.

Interest in the conference and hope for its success were well expressed by the public relations fraternity of Chicago. Although it was vacation time for chapters of both NAPRC and ACPR, leaders arranged a lunch for the visitors, and many of Chicago's important public relations men and women braved the 100-degree temperature to participate.

W. R. Harshe, Paul Ridings and Conger Reynolds were responsible for bringing the group together, and for the opportunity to relax briefly after three days of intense work. Homer Calver of New York, chairman of the NAPRC committee, and Edgar Waite of San Francisco, chairman of the ACPR committee, were

invited to report decisions thus far reached. They paid grateful tribute to their committee colleagues: Averell Broughton and Sam D. Fuson of NAPRC and Rex F. Harlow and Virgil L. Rankin of ACPR.

The speakers took the opportunity also to express hope that all qualified public relations people, of whatever previous affiliation, will now identify themselves with the Public Relations Society of America, as the first truly national and professional organization in the country.

There are many excellent groups of public relations professionals, but until now they have been essentially regional or local in nature. While some of these may wish to continue as separate entities, there would appear to be ample reason for members also to embrace the new Society for its larger scope, and for the benefits to be expected of such a widespread, integrated effort.

For, worthy as have been the accomplishments of NAPRC, ACPR, and other fine groups, the real job—on a broad plane—can best be done by a body that works for and is supported by all. Such a body is offered now in the Public Relations Society of America.

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*"Tyranny is not easily conquered, yet we have this consolation with us, that the harder the conflict, the more glorious the triumph. What we obtain too cheaply, we esteem too lightly; it is dearness only that gives everything its value . . . and it would be strange if so celestial an article as freedom should not be highly rated."*—THOMAS PAINE.

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